

State of Washington
Department of Labor & Industries

Summary Report

Chapter 1

Project to Improve the Quality of Independent Medical Examinations

Downloadable Version Part 3 of 3

Med Fx, LLC
December 2001

Table of Contents

Executive Summary and Recommendations for Improvement	1
Introduction	7
Overview of Methodology	8
Overview of Findings	10
The Assessment Phase	14
Analysis of Best Practices Compared to Current L&I Practice	32
Issues in the Independent Medical Examination Process leading to Improvement Opportunities:	
Issues Organized by Process Step	37
Issues Organized by External Interaction	41
The Structured Prioritization Process	47

Issues in the Independent Medical Examination Process leading to Improvement Opportunities

Organized by Process Step

The following table summarizes the issues identified for each of the process steps as a result of the comparison of best practices to the current L&I process. The issues are organized by process step. Bolded and italicized entries are areas for improvement.

STEP	WHAT / WHO	CURRENT PROCESS	IDENTIFIED ISSUES
1	<i>Request IME</i>		
	<i>Claim Examiner</i>	<p>Fills out IME dictation worksheet</p> <p><i>Prepare claims summary</i></p> <p><i>Specify purpose of exam</i></p> <p>Specify timing /priority status</p> <p><i>Select questions to ask examiner</i></p> <p>Specify preferred type / name of examiner</p> <p>Create final request letter; send to scheduler</p> <p>Send letter to injured worker re: notice of intent to schedule an IME</p>	<ul style="list-style-type: none"> • Claims summary and purpose of exam often missing or general. • Current specific issue rarely stated. • Questions are boilerplate and ill-timed to stage of claim (e.g., constantly asking diagnosis and causality at time of rating exam)
2	<i>Prepare for IME</i>		
2a	<i>Scheduler</i>	<p>Call IME Broker or potential examiners to find appointment slot</p> <p>Write / mail letter to injured worker re: appointment date</p> <p>If needed, renegotiate times with physician-evaluator and injured worker and re-send notification letter</p>	<ul style="list-style-type: none"> • Criteria for Approved Examiners are weak; database on examiners is limited and provides no quality or satisfaction related information; selection not linked to performance. • Interval between request date and actual appointment often >1 month.
2b	<i>Claim Examiner</i>	<p><i>Request a microfiche copy of the claims file be sent to IME Broker(see 3a)</i></p>	<ul style="list-style-type: none"> • No list of documents sent.
	<i>Injured Worker</i>	<p><i>Get copies of Xrays/MRI's etc.</i></p> <p><i>Call medical office to request copy</i></p> <p><i>Wait several days</i></p> <p><i>Go to medical office to pick up records</i></p>	<ul style="list-style-type: none"> • IME examiners never / seldom have actual Xrays or MRIs to review.

STEP	WHAT / WHO	CURRENT PROCESS	IDENTIFIED ISSUES
3	Perform IME		
3a	IME Broker / Medical office staff	<i>Assemble chart for physician-evaluator</i>	<ul style="list-style-type: none"> No list of documents received IME examiners appear not to get many / key records (surgical reports, notes from first medical care post injury, etc.)
3b	Injured Worker	Fill out questionnaires and history forms	
3c	Physician - evaluator	Do the history and physical <i>Read documents supplied</i> <i>Interview injured worker</i> <i>Perform physical examination</i> <i>Do tests, measurements</i> If needed, obtain additional records or tests	<ul style="list-style-type: none"> No list of documents reviewed. Patient interview mixed in with chart review. MD seems to be skimming through disorganized or few documents. Physical examination incomplete or poorly documented Tests/measurements incomplete or poorly documented

STEP	WHAT / WHO	CURRENT PROCESS	IDENTIFIED ISSUES
4	Prepare IME Report		
4a	Physician - evaluator	Dictate draft report Document process and factual findings of the examination Draw conclusions/formulate opinions State and explain basis for findings Answer questions and lay out rationale	<ul style="list-style-type: none"> • See 3c above. • L&I template very rarely used for reports. • Highly variable report format / contents. • Poor documentation of examination process. • Questions often indirectly or partially answered, e.g. reference in report is often to “See above”, with no clear reference to section being noted. • Rationale and basis for opinions/answers rarely provided.
4b	IME Broker Medical Office staff	Transcribe report Proofread; make sure all questions are answered ; mark up draft report as necessary. Send edited report or proposed changes to physician-evaluator for approval	<ul style="list-style-type: none"> • See 3c and 4a above. Primarily proofread for spelling and grammar only.
4c	Physician-evaluator	OK proposed changes; answer questions	
4d	IME Broker Medical Office staff	Prepare final hard-copy report Send to physician-examiner for signature	

STEP	WHAT / WHO	CURRENT PROCESS	IDENTIFIED ISSUES
5	Delivery and Payment		
5a	IME Broker Medical Office staff	Send preview draft to L&I for review	
5b	Physician-evaluator	Sign hard copy of report	
5c	IME Broker Medical Office staff	Mail signed hard copy to L&I claims office Send bill to L&I accounting department	
5d	Claim Examiner	Review report; <i>determine adequacy</i> <i>If needed, ask for clarification (written addendum) from examiner</i> <i>If needed, refer complaints to Provider Review & Education unit for follow-up</i> Authorize (or refuse) payment Take claims management action as appropriate	<ul style="list-style-type: none"> Interval between date of exam and receipt of report often > 30 days. Bill for report and IME itself travel in separate processes. No objective quality standards, systematic quality assessment, or predictable consequences for low quality reports.

Issues in the Independent Medical Examination Process leading to Improvement Opportunities

Organized by External Interaction

The following table uses the issues identified for each of the process steps in the prior tabular summary and reorganizes them according to topic areas relating to how the Department interacts with major parties in the process or conducts transactions. The issues are organized by external interaction.

Topics Related to <i>Procurement Approach</i>	Current Process	Current Issues
In-source/out-source Decision	<p>The following components currently exist in some combination of insource / outsource</p> <ul style="list-style-type: none"> • Case analysis, • scheduling, • examiner recruiting, • credentialing/training, • organizing medical records, • records review, examinations, and reports, and • quality management processes 	<ul style="list-style-type: none"> • Numerous provider complaints about reimbursement • Not held accountable for quality • No contractual arrangements
Reimbursement mechanism	<ul style="list-style-type: none"> • Payment by fee schedule limits L&I's cost liability per service 	<ul style="list-style-type: none"> • Payment on a per-service basis does not limit total cost of IMEs • Contracts which hold panel companies accountable for quality of reports are not used

Topics Related to <i>IME Requests</i>	Current Process	Current Issues
Exam Scheduling	<ul style="list-style-type: none"> • L&I summons worker to appear • Panel company schedules exam based on provider availability 	<ul style="list-style-type: none"> • Lack of direct arrangement with IW leads to costly no-show rate, some antipathy
Selection of examiners	<ul style="list-style-type: none"> • Specialty or specialties requested usually appropriate for knowledge of body part or system • Multiple examiners may be appropriate in complex cases 	<ul style="list-style-type: none"> • Occupational linkage, work ability, delayed recovery factors, clear analysis often absent from evaluations • Single examiners are often sufficient in the majority of IMEs • More specialties rarely add credence to the opinion in the appeals process • IWs sense they are not heard
Opinions and analysis requested	<ul style="list-style-type: none"> • Standard questions are used • Questions tied to WACs, Handbook • Supplemental reports requested if information is not present 	<ul style="list-style-type: none"> • Identical questions are almost always used • Some questions moot for closing, rating examinations • Ability to work rarely asked • Occupational and return to work elements missing from WACs, Handbook • Single format and content specified for exams regardless of issue, time in case • Case summary usually missing • Job descriptions rarely provided even though the IME request often asks about ability to work • Key issues often unclear • WAC list incomplete <p>The result is:</p> <ul style="list-style-type: none"> • Boilerplate responses • Review of records cursory or combined with history from worker • Analysis of prior testing, treatment absent or cursory • Assessment of factors delaying functional recovery usually missing • Future medical needs often vague or absent • Scientific evidence for conclusions missing
Materials Preparation	<ul style="list-style-type: none"> • Materials preparation outsourced 	<ul style="list-style-type: none"> • Microfiche must be printed, manually sorted • Functional job descriptions rarely provided • No formal organization or listing of documents sent

Topics Related to <i>Working with Attending Physicians</i>	Current Process	Current Issues
Information acquisition	<ul style="list-style-type: none"> • Medical opinion required for closing • IMEs used to acquire types of information listed in WAC when not provided by AP • L&I attempts information acquisition from alternative sources 	<ul style="list-style-type: none"> • Information may be available from attending physician, clinical consultant, or file review • Examinations requested quite late in cases compared to expected recovery times • Information acquisition from sources other than IMEs is said to be insufficient
Notification about exams	<ul style="list-style-type: none"> • APs are supposed receive letters informing them of reasons, timing of exams 	<ul style="list-style-type: none"> • Not all APs are aware of letters informing them of reasons, timing of exams • AP survey reveals that APs feel some exams are in the midst of treatment • About 1/3 of APs stated they were not aware of exam in advance
Descriptive information sharing with L&I	<ul style="list-style-type: none"> • RCWs require attending physicians to provide case information to the Department on request 	<ul style="list-style-type: none"> • Many APs do not respond to requests re: MMI • L&I does not <i>require</i> APs to perform closing exams or provide the requisite information pursuant to this provision
Rating examinations	<ul style="list-style-type: none"> • RCW enables APs to do rating exams 	<ul style="list-style-type: none"> • Many APs prefer not to do rating exams • Survey reveals that more say they would do exams than are presently doing them • AP exams we audited were brief, lacked history, work elements, explanation of logic • Most APs are not trained in rating systems or proper reporting • Exams, reports are time consuming relative to allowed reimbursement
Attending physician disagreements with IME findings	<ul style="list-style-type: none"> • L&I usually sends copy of report to the attending physician • The department may request AP review the exam findings and notify L&I of objections 	<ul style="list-style-type: none"> • AP survey reveals that some APs were not aware of the findings • Many APs are not registering agreement or objections to findings

Topics Related to <i>Size and Quality of IME Examiner Pool</i>	Current Process	Current Issues
Selection and credentialing (initial and on-going) of examiners	<ul style="list-style-type: none"> • Licensed providers apply to be examiners • Allopathic and chiropractic physicians follow different processes 	<ul style="list-style-type: none"> • Credentialing is not performance-based • Training is not required • Certification is not required
Reimbursement Levels of Examiners	<ul style="list-style-type: none"> • Payment levels to examiners largely negotiated by panel companies 	<ul style="list-style-type: none"> • Examiner complaints about level of reimbursement • Reimbursement level is hypothesized to be related to IW and IME physician dissatisfaction
Examiner Training	<ul style="list-style-type: none"> • L&I has held training sessions on impairment rating exams for examiners • CME credit was provided 	<ul style="list-style-type: none"> • The education sessions were optional • No framework for regular training sessions • There was no verification of performance capability • Incentives for training may not be adequate • Scope of training was limited to impairment evaluations, • In the audited reports, ratings were often incorrect

Topics Related to <i>Treatment of Injured Workers</i>	Current Process	Current Issues
Exam sites	<ul style="list-style-type: none"> • May be physician's office, panel office, office park or hotel 	<ul style="list-style-type: none"> • Injured workers view some sites as unprofessional • L&I is authorized to staff Department clinics for impairment exams
Injured worker questions	<ul style="list-style-type: none"> • Examiners answer some questions about exams within constraints • Claims managers may answer some questions if contacted 	<ul style="list-style-type: none"> • Examiners should not answer questions about prior care, benefits or L&I procedure • Examiners could answer questions about exam findings and conclusions • No specific procedure in place to ensure workers get answers in a timely manner
Worker expectations	<ul style="list-style-type: none"> • Workers are informed of the purpose of the exam from multiple sources, including claims managers, the attending physician, the IME physician, or department communications • Examination reports contain general statements that exams are to obtain objective information 	<ul style="list-style-type: none"> • Survey results indicate each of the sources of information is equally likely to raise the awareness of the purpose of the exam. The IW survey shows that a small percentage of workers are still unaware of the purpose or format of the exam • Survey shows that some workers are dissatisfied with results following department actions related to the exam report • Reports do not document clear explanation of the differences between IMEs and regular doctor visits

Topics Related to <i>Quality Management and Improvement</i>	Current Process	Current Issues
Quality management framework	<ul style="list-style-type: none"> • Department mandated to manage quality of examinations and reports • Complaint management system in place • Periodic revision of examiner list 	<ul style="list-style-type: none"> • Surveys not analyzed and acted upon • No systematic evaluation of IME reports • No mechanism for systemic improvement • Not all complaints are forwarded to L&I
Legal support quality	<ul style="list-style-type: none"> • Reports are not admissible as evidence unless parties agree to such • Examiners deposed in legal proceedings 	<ul style="list-style-type: none"> • Identities, exam purpose not recorded as verified
Satisfaction measurement	<ul style="list-style-type: none"> • Requirement for surveys by panel companies exist • Survey method and instrument at discretion of panel companies 	<ul style="list-style-type: none"> • Key elements not routinely measured or acted upon • Examiner preparation, manner sometimes lacking • Dissatisfaction with site of exams • Dissatisfaction with answers to questions or lack thereof

The Structured Prioritization Process

MedFx conducted a value-mapping meeting with L&I management. The meeting was used to construct and weight a set of criteria to use in the prioritization exercises with staff. Representative criteria included setup cost, on-going cost, staff requirements (FTEs), time to implement, impact on organizations internal to L&I, and impact to organizations external to L&I.

Six groups were created to participate in the prioritization meetings. Group members represented a cross-section of L&I staff. They were invited to participate on the basis of being directly affected by the proposed recommendations and/or having the knowledge and responsibility for the specific areas being discussed.

The flowchart on page 49 provides an overview of the process used at the prioritization meetings. The issues identified in the preceding section were organized by topic areas, centered around external interactions of the Department, and were then used to generate sets of improvement options. The output of the meetings was a set of decision matrices and scores for the improvement options discussed by the groups. Each group assigned priorities for a particular topic. The discussion of the scoring results concluded with a recommendation of improvement options for management's consideration.

Facilitators assisted the groups in ranking options against the criteria. The scoring system assigned values to the options based on their anticipated impact. A 9 was assigned to the highest-rated options, or those judged to have the highest positive impact. Scores of 3 and 1 were assigned to the next-rated options. If the option was judged to have a negative impact, it received a score of negative 9.

The facilitators also assisted the groups in estimating the impact of quantitative elements that needed to be considered. For example, if the group was considering the staffing impact of a quality management program, the facilitator helped the group to determine the appropriate sample size, the productivity of the reviewer, and the professional qualifications of the reviewer. These factors can be used to develop an estimate of the

FTE requirements and costs for this particular activity. A comparative ranking was then assigned.

Following the individual topic meetings, a consolidated set of improvement options and recommendations were developed for management's consideration and reviewed by the teams. These constituted the improvement options recommended to management and subsequently to the Workers' Compensation Advisory Committee. The recommendations are presented beginning on page 3 of the Executive Summary.

Washington L&I IME Improvement Project
Flowchart of Prioritization Exercises

- | | | |
|----|---|---|
| 1. | Introduction | This is a set of introductory remarks welcoming people to the meeting. |
| 2. | Review of
Group Tools | A brief review of the group tools to be used in the meeting is conducted during this part of the meeting. |
| 3. | Review
Group
Charter | The group's charter (mission and expectations) will be discussed. |
| 4. | Review and
Clarify
Decision
Criteria | The decision criteria are a result of the value setting exercise with management. The criteria are used to rank the improvement options to be discussed. The criteria are reviewed and clarified so the group has a common understanding. |
| 5. | Review
Process and
Issues
Document | The Current Processes and Issues applicable to the topic under discussion are reviewed. This takes place for each of the six topics that have been identified. The group achieves a common understanding of the process and issues. |
| 6. | Review
Improvement
Options | The Improvement Options that have been identified for the relevant topic are reviewed and clarified and common understanding is reached by the group. |
| 7. | Add Issues or
Improvement
Options | This is a step where issues and improvement options the group feels may have been omitted are discussed and added into the mix. |
| 8. | Create Matrix
of Options
versus
Decision
Criteria | A decision matrix is created with criteria on one axis and the options on another. If options are mutually exclusive, the lower rated options are excluded at this step. The group discusses the implications of a particular option and assigns a score, e.g. 1, 3, 9, for each criterion, based on the group discussion. The facilitator assists the group in determining the relative impact of certain issues and in developing quantitative estimates, e.g. cost, staffing, etc. |
| 9. | Discuss
Scoring
Results, Create
Recommended
Actions | Each option has a weighted score from the preceding process. These are discussed and a recommendation to management is constructed. |

